

19 November 1954

Memorandum for the Record

1. I talked with Mr. Spencer Platt, of the Bureau of the Budget, who is in charge of coordination of legislation in the civil service field.

2. Mr. Platt stated that the main problem with the administration of Government employees overseas was the multiplicity of systems such as the Foreign Service, Defense, etc., and that the Administration's aim was to develop basic framework within which the problem could be met with some uniformity yet without placing one group or another in a strait jacket. Further, he said that the President desired throughout the Government to have a system flexible enough to allow for complete interchangeability of personnel both here and abroad without causing a major disruption every time an employee changed into a different system.

3. In connection with medical benefits for dependents, the Duflon group is evidently preparing proposals to be submitted to the Congress and is presently studying a report in this field which has recently been completed for the group by outside medical consultants. In addition, the Administration proposes to reintroduce S. 3803, a bill to authorize the Civil Service Commission and the heads of establishments in the Federal Government to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service. (Copies of this legislation were furnished in July to the Personnel Office, the Medical Staff, and the Management Staff.)

4. In the field of educational allowances for dependents of Government employees stationed abroad, the Duflon group is also considering appropriate legislation.

5. While the Duflon group is considering the problem of retirement systems for Federal employees, the drafting of legislation in this field and to implement the provisions of the Kaplan report is in the hands of the Civil Service Commission. As of this

date, however, the Commissioners have not yet agreed on a final draft. Nevertheless, unless there is a sharp revision in current thinking, it is highly probable that legislation will not favor any plans for accelerated retirement. It is believed that current thinking runs along the line of increasing the retirement percentage from 1-1/2% to 2% for those employees who have served overseas a minimum of 10 years or who are engaged in hazardous occupations. Even the latter category is doubtful because of the feeling that it is amply covered by the employees compensation laws. Nevertheless, the raising of the percentage would represent a material gain in retirement pay.

6. In connection with home leave, it is planned to resubmit the proposed home leave bill which is contained in the report of the President's Advisor on Personnel Management (H. Report No. 1760, copies of which have previously been sent to AD/Personnel, DD/A and the Comptroller). This would institute a leave system for overseas employees similar to that now enjoyed by the Foreign Service.

7. I asked Mr. Platt what the current thinking was regarding an executive pay raise, and discussed this matter with him on a highly informal and off-the-record basis, explaining that our thinking in this matter had not yet gelled to the point of DCI approval. Mr. Platt pointed out that our major difficulties appeared to arise from the fact that the salary for the Director and Deputy Director had been misallocated and placed in the wrong grouping in the executive pay bill. He stated that there were several other similar situations in the Government which he currently had under advisement. However, it does not appear to be the present intention to introduce legislation for Government-wide reallocation of executive salaries because with the political split between Executive and Legislative Branches, this would only result in log rolling to secure special allocations for specially favored officials on the Floor of the Congress. The fact that there may not be reallocation legislation, however, does not preclude the possibility of a general percentage or flat pay raise for those in the executive pay bill, but this in turn will not alleviate the problem caused by the misallocation of the Director's and Deputy Director's jobs in that bill. Therefore, Mr. Platt is of the opinion (very informally expressed) that we should seek revision of the Director's salary in our own legislation. Mr. Platt took no position on the possibility of a statutory

salary for six principal advisors to the DCI, except to ask whether I felt that CIA was comparable in responsibility of such positions to an Executive department. I stated that I had no doubt of this whatsoever and also pointed out the special authorities allowed to the Atomic Energy Commission in this connection.

8. Mr. Platt stated that in the past they usually had not referred general administrative legislation to CIA for comment because they felt that such legislation normally had no effect on the Agency. I assured him, however, that it was always CIA's intent to follow Government-wide legislation wherever possible and that on the items discussed above we were particularly anxious to study proposed drafts to see whether they would cover our own situation. He assured me that there would be a formal submission of the drafts to CIA for comment when they were prepared.

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